

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re
LEHMAN BROTHERS HOLDINGS INC., et al.,
Debtors.

Chapter 11
Case No. 08-13555 (JMP)
(Jointly Administered)

**THIRD SUPPLEMENTAL DECLARATION OF ALBERT S. MISHAAN ON BEHALF
OF KASOWITZ, BENSON, TORRES & FRIEDMAN LLP PURSUANT TO
SECTIONS 327, 328(A), 329 AND 504 OF THE BANKRUPTCY CODE AND
RULES 2014(A) AND 2016(B) OF THE BANKRUPTCY RULES**

Albert S. Mishaan, being duly sworn, deposes and says:

1. I am a partner in the law firm of Kasowitz, Benson, Torres & Friedman LLP (“KBT&F” or the “Firm”), which maintains its principal offices at 1633 Broadway, New York, New York 10019. I am duly authorized to make this third supplemental declaration (the “Third Supplemental Declaration”) on the Firm’s behalf.
2. On January 11, 2010, Lehman Brothers Holdings Inc. and its affiliated debtors (collectively, the “Debtors”) filed, by notice of presentment, the *Application of the Debtors Pursuant to Sections 327(e) and 328(a) of the Bankruptcy Code and Rule 2014 of the Federal Rules of Bankruptcy Procedure for Authorization to Employ and Retain Kasowitz, Benson, Torres & Friedman LLP, as Special Litigation Counsel, Nunc Pro Tunc to January 6, 2010* (the “Application”) [Docket No. 6595]. There were no objections to the Application, and on January 28, 2010 the Court entered an Order entered approving the retention [Docket No. 6808].

3. In my Declaration sworn to on January 7, 2010 (the “Original Declaration”), which was submitted in connection with the retention of KBT&F as special counsel to the Debtors, I stated that “[i]f I obtain additional information that requires further disclosure or modification of the Application or the Declaration, I will file a supplemental declaration with the

Court.” Declaration at ¶ 3. Subsequently, on February 17, 2010 and April 26, 2010, I supplemented my Original Declaration [Docket No. 7141] by filing supplemental declarations (the “Supplemental Declarations”) [Docket Nos. 7141 and 8641, respectively]. Since that time, KBT&F has acquired new information to disclose to the Court. Thus, I submit this Third Supplemental Declaration to supplement my prior declarations.

4. To the extent that any information disclosed herein requires additional amendment or modification upon KBT&F’s completion of further analysis or as additional information becomes available, one or more additional supplemental declarations will be submitted to the Court accordingly.

Additional Disclosure

5. In its Original Declaration, KBT&F disclosed that it represents certain entities that may have an interest in these Cases that is unrelated to KBT&F’s retention in these Cases. Among those entities that KBT&F represents and that were listed on Schedule 3 to the Original Declaration, are entities that hold certain notes that are at issue in these Cases (the “Dante Noteholders”).

6. Since the filing of the Original Declaration, KBT&F has become aware that it represents certain entities, Loreley Financing (Jersey) No. 7 Ltd., Loreley Financing (Jersey) No. 8 Ltd., Loreley Financing (Jersey) No. 22 Ltd., Loreley Financing (Jersey) No. 24 Ltd., and Loreley Financing (Jersey) No. 26, Ltd. (collectively, the “Loreley Noteholders”), holders of certain notes issued by Belle Haven ABS CDO 2006-1, Ltd., Gemstone CDO VI, Ltd., Libra CDO Limited, and MKP Vela CBO Ltd, whose claims correspond to those of the Dante Noteholders in these Cases (the “Loreley Representation”).

7. While KBT&F has, prior to its representation of the Debtors, represented the Loreley Noteholders in matters unrelated to these Cases, on November 4, 2011, certain of the Loreley Noteholders filed a joinder in connection with the *Objection of the Dante Noteholders to the Debtors' Assumption of Certain Derivative Contracts* [Docket No. 21634].

8. Thus, I submit this Third Supplemental Declaration to disclose the Loreley Representation.

9. This representation is unrelated to the matters for which KBT&F is retained by the estates. In addition, the Debtors and the Loreley Noteholders have consented to and have waived any potential conflicts resulting from KBT&F's simultaneous representation of the Loreley Noteholders and the Debtors in connection with the Debtors' chapter 11 cases.

10. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct, and that this Third Supplemental Declaration was executed on November 22, 2011.

Dated: November 22, 2011
New York, New York



Albert S. Mishaan